

# Regular Meeting

<b>Agenda Item #</b>	6
<b>Meeting Date</b>	25 October 2004
<b>Prepared By</b>	Sara Anne Daines ECD Director
<b>Approved By</b>	Barbara B. Matthews City Manager

<b>Discussion Item</b>	First Reading of an Ordinance Approving a contract with K&S Development Consultants, LLC
<b>Background</b>	<p>This is the first in two required readings of an ordinance authorizing the execution of a contract for services with K&amp;S Development Consultants, LLC for construction inspection services required in the capital improvement rent petition process. The proposed contract was considered by the City Council at its October 18th worksession.</p> <p>The Rent Stabilization Ordinance (Chapter 6 Article 5) allows landlords making improvements to their rental properties to file a capital improvement petition which, if approved by COLTA, provides for the recapture the cost of said improvements and distributes the cost to those rental units affected by the improvement. To facilitate this process, the City contracts with an independent firm; inspects the rental property to verify that the work included in the petition has been completed in a satisfactory manner and that the costs noted in the petition are reasonable. The inspection takes place, regardless of any action taken by the tenant.</p> <p>A Request for Proposals for this service was issued. A single proposal was submitted by K&amp;S Development Consultants, LLC. Proposed costs are \$255 per petition with additional work to be provided at a rate of \$85 per hour. As noted at the October 18<sup>th</sup> worksession, this service is currently provided by the firm at a cost of \$75 per hour with a majority of the petitions requiring three hours to complete. Thirteen thousand dollars was included in COLTA's FY05 budget for this purpose.</p>
<b>Policy</b>	Under the current Rent Stabilization Law, the Rent Increase Petition process is available to landlords to promote improvements to rental properties. It allows for the recovery of the costs over an amortized period of time. Expert, unbiased construction inspections have been instrumental in ascertaining the reasonableness of the costs and whether the project was completed satisfactorily.
<b>Fiscal Impact</b>	<p>A total of \$30,000 is included in the FY05 Budget (#5300) for contractual costs incurred by COLTA. Of this amount \$13,000 was earmarked for costs incurred in the inspection of capital improvement rent increase petitions.</p> <p>K&amp;S Development Consultants, LLC proposes to charge \$255 per petition with any additional work billed at an hourly rate of \$85. Assuming no work beyond the</p>
<b>Fiscal Impact</b>	routine inspection is required, roughly fifty capital improvement petitions could be

<b>Continued</b>	conducted with the funds earmarked for this purpose.
<b>Attachments</b>	<ul style="list-style-type: none"> <li>• Ordinance approving Contract with K&amp;S Development Consultants LLC</li> <li>• K&amp;S Development Consultants, LLC Bid Proposal (October 8, 2004)</li> </ul>
<b>Recommendation</b>	<p>To approve execution of a contract with K&amp;S Development Consultants, LLC for professional services related to the capital improvement petition process.</p> <p>The execution of the proposed contract with K&amp;S Development Consultants will require a two reading ordinance. The second reading of the ordinance is scheduled for November 8.</p>
<b>Special Consideration</b>	

Introduced by:

1<sup>st</sup> Reading:

2<sup>nd</sup> Reading:

ORDINANCE NO. 2004-

**AN ORDINANCE AUTHORIZING EXECUTION OF AN ONGOING CONTRACT WITH  
K&S DEVELOPMENT CONSULTANTS, LLC**

**WHEREAS,** the Commission on Landlord-Tenant Affairs (COLTA) is empowered to rule on landlords' requests for rent increases due to capital improvements to a rental property; and

**WHEREAS,** construction inspections, initiated by City Staff in 2004, have improved the rent increase petition process by providing a professional evaluation of the cost and the work done, thus streamlining the process and enabling COLTA to rule on petitions in a more efficient and effective manner; and

**WHEREAS,** K&S Development Consultants, LLC was selected by the City of Takoma Park, in accordance with adopted procurement procedures, to inspect all capital improvement petitions to verify the completion of the improvements and to evaluate the reasonableness of the costs of included in the petition; and

**WHEREAS,** sufficient funds are available within the Housing and Community Development Department's FY04 budget to continue this program.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF  
TAKOMA PARK, MARYLAND**

**SECTION 1.** The City Manager is hereby authorized to enter into a twelve (12) month contract with K&S Development Consultants LLC for construction inspection services required in the review of capital improvement rent increase petitions at a cost of \$255 per petition with additional work charged a rate of \$85 per hour.

**SECTION 2.** The City Manager is further authorized to renew, as appropriate, such contract for up to three additional one year terms.

Adopted this \_\_\_\_ day of \_\_\_\_\_ 2004.

ATTEST:

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Catherine E. Waters, CMC  
City Clerk / Treasurer